More Bread, Better Living?

Trace how tools and skills can change what workers produce.

E.1.8 "Illustrate how investment in physical and human capital can raise productivity and future standards of living."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline each investment, circle the change in output per worker-hour, and number two ways the change could affect people's future standard of living. Use your marks to trace how the bakery's choices could lead to those effects.

A Bakery Invests in Its Future

1 At a small town's community bakery, six workers make bread for local stores. Each morning they mix dough by hand, load one tray at a time, and check temperatures with an old oven dial. Together they bake 120 loaves during an eight-hour shift, or 2.5 loaves per worker per hour. The bakery's owner considers buying a larger mixer and a more reliable oven. These durable tools are physical capital, resources used to produce other goods. Spending money on them is an investment because the bakery expects benefits over many future shifts.

2 The owner also pays for a two-day course on measuring ingredients, preventing waste, and running the equipment safely. This training builds human capital, the workers' knowledge and skills. With the new mixer and oven, trained workers can prepare larger batches and avoid ruined loaves. After several weeks, the same six workers produce 180 loaves in an eight-hour shift, or 3.75 loaves per worker per hour. The bakery now gets more output from the same amount of labor time. A mixer alone would be less useful if workers did not know how to use it well.

3 If the bakery keeps selling extra loaves, higher sales could help pay for raises and more stable jobs. More bread might also reach local stores at lower prices, leaving families money for other needs. These changes could improve future standards of living, the goods and services people can afford. But gains are not guaranteed. The machines cost money, training takes paid time, and repair bills may be high. If customers do not buy more bread, the bakery may not earn enough to cover its investment. Productivity increases create possibilities, not a promise that everyone benefits.

2 ANSWER WITH EVIDENCE

Use the passage

1. How could the bakery's investment in physical capital help workers produce more bread in the same amount of time?

2. How does the training add to the benefit of the new equipment?

3. How much did output per worker per hour rise, and what does that change show about productivity?

4. Trace one way the bakery's higher productivity could improve future living standards. Why is that result not guaranteed?

3 YOUR TURN

Your own words

Imagine a bicycle repair shop that wants to complete more repairs per worker-hour. In four or five sentences, propose one investment in physical capital and one in human capital, explain how each could raise productivity, describe one possible effect on future living standards, and name one condition that could limit that effect.

ANSWER KEY

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PART 1 · READ AND MARK

Underline each investment, circle the change in output per worker-hour, and number two ways the change could affect people's future standard of living. Use your marks to trace how the bakery's choices could lead to those effects. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How could the bakery's investment in physical capital help workers produce more bread in the same amount of time?	**The larger mixer lets workers prepare bigger batches, and the more reliable oven helps them avoid ruined loaves.**
2	How does the training add to the benefit of the new equipment?	**Workers learn to run the equipment safely, measure ingredients, and prevent waste, so they can use the machines effectively.**
3	How much did output per worker per hour rise, and what does that change show about productivity?	**It rose by 1.25 loaves per worker per hour, from 2.5 to 3.75. The same labor time produced more bread.**
4	Trace one way the bakery's higher productivity could improve future living standards. Why is that result not guaranteed?	**Selling more bread could help pay for raises, increasing what workers can afford. If customers do not buy the extra bread, the bakery might not earn enough to cover its costs.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

The shop could buy sturdy repair stands so workers can reach bike parts more easily. It could also pay for training in diagnosing brake problems. The stands could save setup time, while the training could help workers find faults faster and avoid repeat repairs. Completing more repairs per worker-hour could support higher pay, helping workers afford more goods and services. That benefit might not happen if too few customers need repairs to cover the cost of the stands and training.

Accept other passage-based explanations that connect an investment to increased output per worker-hour and then to a possible living-standard benefit. For the open task, accept plausible investments and limits if the causal links are clear.